



January 22, 2016

HOUSE BILL No. 1161

DIGEST OF HB 1161 (Updated January 20, 2016 4:40 pm - DI 113)

Citations Affected: IC 6-8.1; noncode.

Synopsis: Pension thirteenth checks. Provides for a thirteenth check in 2016 for certain members of the: (1) Indiana state teachers' retirement fund; (2) public employees' retirement fund; (3) state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan; (4) state police 1987 benefit system; and (5) state police pre-1987 benefit system. Provides that if the amount collected under the tax amnesty program exceeds \$90,000,000, the next \$20,700,000 collected under the tax amnesty program must be deposited in the pension stabilization fund within the pre-1996 account of the Indiana state teachers' retirement fund. Makes an appropriation.

Effective: July 1, 2016.

**Gutwein, Burton, Niezgodski,
Morris**

January 7, 2016, read first time and referred to Committee on Employment, Labor and Pensions.

January 12, 2016, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

January 21, 2016, amended, reported — Do Pass.

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January 22, 2016

Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1161

A BILL FOR AN ACT to amend the Indiana Code concerning pensions and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-8.1-3-25, AS ADDED BY P.L.213-2015,
2 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]: Sec. 25. Notwithstanding any other law, the
4 department shall deposit the amounts collected under a tax amnesty
5 program carried out under section 17 of this chapter after June 30,
6 2015, as follows:
- 7 (1) The first eighty-four million dollars (\$84,000,000) collected
8 must be deposited into the Indiana regional cities development
9 fund established by IC 5-28-38-2.
- 10 (2) After making the deposits required under subdivision (1), the
11 next six million dollars (\$6,000,000) collected shall be transferred
12 to the Indiana department of transportation to reimburse the
13 Indiana department of transportation for money expended by the
14 Indiana department of transportation under IC 8-23-2-18.5 for the
15 operation of the Hoosier State Rail Line. However, the total
16 amount transferred under this subdivision to the Indiana
17 department of transportation may not exceed the lesser of:
18 (A) six million dollars (\$6,000,000); or

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(B) the total amount expended by the Indiana department of transportation under IC 8-23-2-18.5 for the operation of the Hoosier State Rail Line after June 30, 2015, and before July 1, 2017.

(3) After making the deposits required under subdivisions (1) and (2), the next twenty million seven hundred thousand dollars (\$20,700,000) must be deposited in the pension stabilization fund established by IC 5-10.4-2-5. The amount deposited under this subdivision is appropriated to the board of trustees of the Indiana public retirement system for the purposes of the pension stabilization fund.

~~(3)~~ **(4) Any remaining amounts collected must be deposited into the state general fund.**

SECTION 2. [EFFECTIVE JULY 1, 2016] (a) As used in this SECTION, "fund" refers to the Indiana state teachers' retirement fund established by IC 5-10.4-2-1.

(b) Not later than October 1, 2016, the fund shall pay the amount determined under subsection (c) to a member of the fund (or to a survivor or beneficiary of a member) who retired or was disabled on or before December 1, 2015, and who is entitled to receive a monthly benefit on July 1, 2016. The amount is not an increase in the pension portion of the monthly benefit.

(c) The amount paid under this SECTION to a member of the fund (or to a survivor or beneficiary of a member) who meets the requirements of subsection (b) is determined as follows:

If a Member's Creditable Service Is:	The Amount Is:
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At least 5 years, but less than 10 years (only in the case of a member receiving disability retirement benefits)	\$150
At least 10 years, but less than 20 years	\$275
At least 20 years, but less than 30 years	\$375
At least 30 years	\$450

(d) The creditable service used to determine the amount paid to a member (or to a survivor or beneficiary of a member) under this SECTION is the creditable service that was used to compute the member's retirement benefit under IC 5-10.2-4-4, except that partial years of creditable service may not be used to determine the amount paid under this SECTION.

(e) If two (2) or more survivors or beneficiaries of a member are entitled to an amount paid under this SECTION, the amount shall be allocated to the survivors or beneficiaries in shares using the



1 same percentages as the percentages determined under
 2 IC 5-10.2-3-7.5 or IC 5-10.4-4-10 to pay the monthly benefit to the
 3 survivors or beneficiaries.

4 (f) The fund may not use employer contributions to make the
 5 payments required under subsection (b) unless, and only to the
 6 extent that, the amounts necessary to make the payments required
 7 under subsection (b) exceed the amounts appropriated in the state
 8 budget for the biennium beginning July 1, 2015, for the purposes
 9 described in subsection (b).

10 (g) This SECTION expires January 1, 2017.

11 SECTION 3. [EFFECTIVE JULY 1, 2016] (a) As used in this
 12 SECTION, "fund" refers to the public employees' retirement fund
 13 established by IC 5-10.3-2-1.

14 (b) Not later than October 1, 2016, the fund shall pay the amount
 15 determined under subsection (c) to a member of the fund (or to a
 16 survivor or beneficiary of a member) who retired or was disabled
 17 on or before December 1, 2015, and who is entitled to receive a
 18 monthly benefit on July 1, 2016. The amount is not an increase in
 19 the pension portion of the monthly benefit.

20 (c) The amount paid under this SECTION to a member of the
 21 fund (or to a survivor or beneficiary of a member) who meets the
 22 requirements of subsection (b) is determined as follows:

If a Member's Creditable Service Is:	The Amount Is:
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At least 5 years, but less than 10 years (only in the case of a member receiving disability retirement benefits)	\$150
At least 10 years, but less than 20 years	\$275
At least 20 years, but less than 30 years	\$375
At least 30 years	\$450

31 (d) The creditable service used to determine the amount paid to
 32 a member (or to a survivor or beneficiary of a member) under this
 33 SECTION is the creditable service that was used to compute the
 34 member's retirement benefit under IC 5-10.2-4-4, except that
 35 partial years of creditable service may not be used to determine the
 36 amount paid under this SECTION.

37 (e) If two (2) or more survivors or beneficiaries of a member are
 38 entitled to an amount paid under this SECTION, the amount shall
 39 be allocated to the survivors or beneficiaries in shares using the
 40 same percentages as the percentages determined under
 41 IC 5-10.2-3-7.5 or IC 5-10.3-8-15 to pay the monthly benefit to the
 42 survivors or beneficiaries.



(f) The fund may not use employer contributions to make the payments required under subsection (b) unless, and only to the extent that, the amounts necessary to make the payments required under subsection (b) exceed the amounts appropriated in the state budget for the biennium beginning July 1, 2015, for the purposes described in subsection (b).

(g) This SECTION expires January 1, 2017.

SECTION 4. [EFFECTIVE JULY 1, 2016] (a) As used in this SECTION, "participant" has the meaning set forth in IC 5-10-5.5-1.

(b) As used in this SECTION, "plan" refers to the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan created by IC 5-10-5.5-2.

(c) Not later than October 1, 2016, the board of trustees of the Indiana public retirement system established by IC 5-10.5-3-1 shall pay the amount determined under subsection (d) to a plan participant (or to a survivor or beneficiary of a plan participant) who retired or was disabled on or before December 1, 2015, and who is entitled to receive a monthly benefit on July 1, 2016. The amount is not an increase in the annual retirement allowance.

(d) The amount paid under this SECTION to a plan participant of the fund (or to a survivor or beneficiary of a plan participant) who meets the requirements of subsection (c) is determined as follows:

If a Plan Participant's Creditable Service Is:	The Amount Is:
At least 5 years, but less than 10 years (only in the case of a member receiving disability retirement benefits)	\$125
At least 10 years, but less than 20 years	\$235
At least 20 years, but less than 30 years	\$325
At least 30 years	\$400

(e) The creditable service used to determine the amount paid to a plan participant (or to a survivor or beneficiary of a plan participant) under this SECTION is the creditable service that was used to compute the plan participant's retirement allowance under IC 5-10-5.5-10 and IC 5-10-5.5-12, except that partial years of creditable service may not be used to determine the amount paid under this SECTION.

(f) If two (2) or more survivors or beneficiaries of a plan participant are entitled to an amount paid under this SECTION, the amount shall be allocated to the survivors or beneficiaries in



1 shares using the same percentages as the percentages determined
 2 under IC 5-10-5.5-16 to pay the monthly benefit to the survivors or
 3 beneficiaries.

4 (g) The board of trustees of the Indiana public retirement system
 5 established by IC 5-10.5-3-1 may not use employer contributions
 6 to make the payments required under subsection (c) unless, and
 7 only to the extent that, the amounts required to make the payments
 8 under subsection (c) exceed the appropriations in the state budget
 9 for the biennium beginning July 1, 2015, for the purposes described
 10 in subsection (c).

11 (h) This SECTION expires January 1, 2017.

12 SECTION 5. [EFFECTIVE JULY 1, 2016] (a) As used in this
 13 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

14 (b) As used in this SECTION, "trust fund" has the meaning set
 15 forth in IC 10-12-1-11.

16 (c) Not later than October 1, 2016, the trustee shall pay from the
 17 trust fund to each employee beneficiary of the state police pre-1987
 18 benefit system covered by IC 10-12-3 who:

19 (1) retired or was disabled before July 2, 2015; and

20 (2) is entitled to receive a monthly benefit as of September 1,
 21 2016;

22 an amount equal to one percent (1%) of the maximum basic annual
 23 pension amount payable to a retired state police employee in the
 24 grade of trooper who has completed twenty (20) years of service as
 25 of July 1, 2016, as calculated under IC 10-12-3-7.

26 (d) The amounts paid under this SECTION are not an increase
 27 in the monthly pension amount of an employee beneficiary.

28 (e) The trustee may not use employer contributions to make the
 29 payments required under subsection (c) unless, and only to the
 30 extent that, the amounts required to make the payments under
 31 subsection (c) exceed the appropriations in the state budget for the
 32 biennium beginning July 1, 2015, for the purposes described in
 33 subsection (c).

34 (f) This SECTION expires January 1, 2017.

35 SECTION 6. [EFFECTIVE JULY 1, 2016] (a) As used in this
 36 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

37 (b) As used in this SECTION, "trust fund" has the meaning set
 38 forth in IC 10-12-1-11.

39 (c) Not later than October 1, 2016, the trustee shall pay from the
 40 trust fund to each employee beneficiary of the state police 1987
 41 benefit system covered by IC 10-12-4 who:

42 (1) retired or was disabled after June 30, 1987, and before



1 **July 2, 2015; and**

2 **(2) is entitled to receive a monthly benefit as of September 1,**
3 **2016;**

4 **an amount equal to one percent (1%) of the maximum basic annual**
5 **pension amount payable to a retired state police employee in the**
6 **grade of trooper who has completed twenty-five (25) years of**
7 **service as of July 1, 2016, as calculated under IC 10-12-4-7.**

8 **(d) The amount paid under this SECTION is not an increase in**
9 **the monthly pension amount of an employee beneficiary.**

10 **(e) The trustee may not use employer contributions to make the**
11 **payments required under subsection (c) unless, and only to the**
12 **extent that, the amounts required to make the payments under**
13 **subsection (c) exceed the appropriations in the state budget for the**
14 **biennium beginning July 1, 2015, for the purposes described in**
15 **subsection (c).**

16 **(f) This SECTION expires January 1, 2017.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1161, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1161 as introduced.)

GUTWEIN

Committee Vote: Yeas 10, Nays 0

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1161, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning pensions and to make an appropriation.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-8.1-3-25, AS ADDED BY P.L.213-2015, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 25. Notwithstanding any other law, the department shall deposit the amounts collected under a tax amnesty program carried out under section 17 of this chapter after June 30, 2015, as follows:

(1) The first eighty-four million dollars (\$84,000,000) collected must be deposited into the Indiana regional cities development fund established by IC 5-28-38-2.

(2) After making the deposits required under subdivision (1), the next six million dollars (\$6,000,000) collected shall be transferred to the Indiana department of transportation to reimburse the Indiana department of transportation for money expended by the Indiana department of transportation under IC 8-23-2-18.5 for the operation of the Hoosier State Rail Line. However, the total amount transferred under this subdivision to the Indiana department of transportation may not exceed the lesser of:

(A) six million dollars (\$6,000,000); or

(B) the total amount expended by the Indiana department of

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transportation under IC 8-23-2-18.5 for the operation of the Hoosier State Rail Line after June 30, 2015, and before July 1, 2017.

(3) After making the deposits required under subdivisions (1) and (2), the next twenty million seven hundred thousand dollars (\$20,700,000) must be deposited in the pension stabilization fund established by IC 5-10.4-2-5. The amount deposited under this subdivision is appropriated to the board of trustees of the Indiana public retirement system for the purposes of the pension stabilization fund.

~~(3)~~ **(4)** Any remaining amounts collected must be deposited into the state general fund."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1161 as printed January 12, 2016.)

BROWN T

Committee Vote: yeas 21, nays 0.

